

that labour is justified in asking that prices be controlled when wages remain free from control. I have no doubt that our government will not for one moment even think of adopting a policy of price control unless at the same time it imposes a control on all wages. Of course, it is a difficult matter to control wages. Whereas in 1939 we had a surplus of labour in Canada, we now face a labour shortage and are talking about bringing in Europeans to fill our job vacancies.

Another thing that affects the cost of living is rents. A good many people claim that because the government controlled rents, it therefore kept down that particular item of the cost of living. But is that the fact? A house which was built in 1941 would be under rental control now; but a house built after January 1 of 1948, I think, or January 1949 is not under control for rental purposes. What made the cost of building rise? A house that in 1941 cost \$5,000, today costs \$10,000, and even at this inflated price it is grabbed up as soon as it is built. What is in the \$10,000 house that was not in the \$5,000 house? Nothing except occupation. The cost of labour and material has increased, but the fact is—as I have said before, and I say it again—that there was no inducement for anybody to build a house for rental purposes so long as rent control remained. The result has been that for a period of approximately ten years there has been practically no home building in Canada for rental purposes, and now it is claimed that rent control will be removed. But here is a point about rent control on which nobody has ever answered me. If the government got as a tax the surplus rent that the tenant ought to have paid, there might be some reason for the control. But just consider what happens if I let a house at \$45 for which I should have got \$100, I lose \$55 every month. Who gets that? Not the government. No. One individual alone gets that benefit, and he pays no tax of any kind upon it. Can that be justified? In effect that is a secret tax put on by the government to benefit the individual who happens to be renting a house at less rent than he should be paying. That is something which cannot be justified in any way at all. A tax, to be fair, must be imposed on all under the same conditions.

I know it is not popular to advocate lifting the control on rent. I am aware that there are one hundred tenant-voters to every owner-voter; but a consideration of that kind should not affect government policy in a democratic country. The government ought to say, quite candidly, "We are going to allow rents to rise to whatever level people are willing to pay, but we will take as a tax

everything over what the rent would be if fixed on the 1941 level." That is what the government ought to have done, and what it could have done without any difficulty at all, and then some individuals would not have been receiving benefit at the expense of others.

My honourable friend from Rosetown (Hon. Mr. Aseltine) having come into the chamber, I no longer have my party's unanimous approval of what I am saying.

**Some Hon. Members:** Oh, oh!

**Hon. Mr. Haig:** The situation arising from rent control is one of the factors in the high cost of living. In every big centre across the country—in Montreal, Toronto, Hamilton, Winnipeg, Vancouver and so on—the cost of building has gone so high that many people who otherwise would be building houses for rent can no longer afford to do so. What is going to happen? Fortunately the Finance Minister of this country has had the judgment to say that after the 30th of April rent control will be lifted. I understand that the provinces of Quebec and Ontario are at once going to put their own systems of rent control into effect. Well, thank goodness that in Manitoba we have not got people who will do that kind of thing.

Let me refer to another factor in the high cost of living. At the recent conferences of the dominion and the provinces the question of old age pensions came up, and the federal government said it would pay all pensions of people of seventy years and over without requiring any contribution by the provinces. That is in accordance with the recommendation of the committee which studied the question. The federal government also said, as I read it that it would pay half of the pension for people from sixty-five to sixty-nine years of age, provided that they were subjected to a means test and that the provinces paid the other half. Then the provinces raised the question, "Where shall we get the money?" And somebody—some bright boy from each of the provinces of New Brunswick, Quebec and Saskatchewan—suggested that there should be a 3 per cent sales tax.

**Hon. Mr. Bouffard:** In Quebec we already have a 5 per cent tax.

**Hon. Mr. Haig:** I did not know it was as bad as that. That is a big factor in causing the cost of living to go up. And that kind of tax is particularly bad because it hits the people who are least able to pay it.

**Hon. Mr. Horner:** Hear, hear.

**Hon. Mr. Haig:** A man with a large family has to pay proportionately more than the one with a small family. Mrs. Haig and I have